

**EXHIBIT A**

**C A D W A L A D E R**

Cadwalader, Wickersham & Taft LLP  
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## **HTA Revenue Bond Preliminary Lift Stay Argument**

Hearing Date: June 4, 2020

## **Resolution Sections 401 and 601 Read Together Do Not Support the Government Parties' Attempt to Limit the Security Interest Scope**

Section 601. Payment of Principal, Interest and Premium. The Authority covenants that it will promptly pay the principal of and the interest on every bond issued under the provisions of this Resolution at the places, on the dates and in the manner provided herein and in said bonds and in any coupons appertaining to said bonds, and any premium required for the retirement of said bonds by purchase or redemption, according to the true intent and meaning thereof. Except as in this Resolution otherwise provided, the principal, interest and premiums are payable solely from Revenues and from any funds received by the Authority for that purpose from the Commonwealth which Revenues and funds are hereby pledged to the payment thereof in the manner and to the extent hereinabove particularly specified.

Section 601 of Resolution No. 68-18, Adopted June 13, 1968, Authorizing and Securing Highway Revenue Bonds (Movants' HTA Ex. 69 at 56) (Natbony Decl. Ex. C at 56)

The moneys in said Funds and Accounts shall be held by the Fiscal Agent in trust and applied as hereinafter provided with regard to each such Fund and Account and, pending such application, shall be subject to a lien and charge in favor of the holders of the bonds issued and outstanding under this Resolution and for the further security of such holders until paid out or transferred as herein provided.

Section 401 of Resolution No. 68-18, Adopted June 13, 1968, Authorizing and Securing Highway Revenue Bonds (Movants' HTA Ex. 69 at 47) (Natbony Decl. Ex. C at 47)

## Resolution 98-08 Pledges ALL Toll Revenues

As authorized by the provisions of Resolution No. 68-18, adopted by the Authority on June 13, 1968, as amended by supplemental resolutions of the Authority adopted on February 17, 1972, October 29, 1990, June 23, 1992, July 15, 1993 (effective September 8, 1993) and August 10, 1993 (said Resolution No. 68-18 as so amended, together with all future amendments and all resolutions supplemental thereto as therein permitted, being herein called the "1968 Resolution") all Existing Toll Facilities Revenues, as defined in Resolution No. 98-06, adopted on February 26, 1998, are hereby pledged by the Authority to the payment of the principal of and premium, if any, and interest on bonds or other obligations heretofore or hereafter issued under the provisions of the 1968 Resolution. Such pledge shall be effective beginning as of February 26, 1998 and shall terminate when the 1968 Resolution shall be repealed and cancelled in accordance with its terms.

HTA Resolution 98-08, adopted  
Feb. 26, 1998  
(Movants' HTA Ex. 55 at 3)  
(Natbony R. Decl. Ex. 55 at 3)

## Excise Tax Statutes Provide That Revenues Are Held In HTA's Favor and For Its Benefit

Oil and Gasoline Tax, 13 L.P.R.A. § 31751 (Movants' HTA Ex. 71) (Natbony Decl. Ex. E)	Automobile Licenses Tax, 9 L.P.R.A. § 2021	Automobile Licenses Tax, 9 L.P.R.A. § 5681
<p>(a) The proceeds of the taxes and license fees collected by virtue of this Subtitle shall be deposited in the General Fund of the Treasury of Puerto Rico except as provided below . . . :</p> <p>(1) The sum of the tax collected on gasoline and four cents (4¢) of the gas oil or diesel oil tax . . . and the total amount per fiscal year of the excise tax collected for crude oil, partially finished and finished oil by-products, and any other hydrocarbon mixtures . . . <b>shall be covered into a special deposit in favor of the Highways and Transportation Authority</b> for its corporate purposes.</p>	<p>The total proceeds of the fifteen-dollar (\$15) increase in the fees to be paid for public and private automobile licenses <b>shall be covered into a Special Deposit in behalf and for the benefit of the Highways and Transportation Authority of Puerto Rico</b>, to be used by the Authority for its corporate purposes.</p>	<p>Except as otherwise provided in this chapter the amount of the fees collected in accordance with §§ 5681 and 5682 of this title <b>shall be covered in its entirety into a Special Deposit in the name and for the benefit of</b> the Highways and Transportation Authority.</p>
<p>(a)(1)(A) The Secretary <b>shall transfer every month</b> . . . the amounts covered into said special deposit, deducting [certain reimbursed amounts].</p> <p><b>C A D W A L A D E R</b></p>		

## Excise Tax Statutes Limit Use of Pledged Revenues For Payment of HTA Bonds

Oil and Gasoline Tax, 13 L.P.R.A. § 31751 (Movants' HTA Ex. 71) (Natbony Decl. Ex. E)	Automobile Licenses Tax, 9 L.P.R.A. § 2021	Automobile Licenses Tax, 9 L.P.R.A. § 5681
<p>(a)(1)(C) The Highways and Transportation Authority <b>is hereby authorized to commit or pledge the proceeds of the collection thus received</b> on gasoline and the tax of four cents (4¢) on gas oil or diesel oil . . . and the amount appropriated by virtue of this Subtitle of the excise tax on crude oil . . . for the payment of the principal and the interest on bonds or other obligations or for any other legal purpose of the Authority. . . . [Unless clawback applies], <b>the proceeds of said collection</b>, in the amount that may be necessary, <b><u>shall be used solely</u></b> for the payment of the principal and interest on bonds and other obligations of the Authority . . . .</p>	<p>Said Authority is hereby <b>authorized to pledge or pignorate the proceeds of the collection thus received</b>, to the payment of the principal and interest on bonds and other obligations of the Authority, or for any other legal purpose of the Authority; . . . [unless clawback applies], the proceeds of said collection in the amount that is necessary <b><u>shall be used solely</u></b> for the payment of the principal and interest on bonds and other obligations of the Authority . . . .</p>	<p>The Authority is hereby <b>authorized to pledge or encumber the proceeds of the taxes collected</b> for the payment of the principal of and interest on any bonds or other obligation or for any other lawful purpose of the Authority. . . . [Unless clawback applies], the proceeds of said tax, in the necessary amount, <b><u>shall be used solely</u></b> for the payment of principal of and interest on the bonds and other obligations of the Authority . . . .</p>

## The Commonwealth Committed and Pledged to Make Revenues Available to HTA

Oil and Gasoline Tax, 13 L.P.R.A. § 31751 (Movants' HTA Ex. 71) (Natbony Decl. Ex. E)	Automobile Licenses Tax, 9 L.P.R.A. § 2021	Automobile Licenses Tax, 9 L.P.R.A. § 5681
(a)(1)(D) The Government of Puerto Rico hereby <b>agrees and is committed</b> to any person . . . that subscribes or acquires bonds of [HTA] for the payment of which the proceeds of the tax on [gasoline and diesel oil] and the amount appropriated of the excise tax on [crude oil] are thus pledged, as authorized by this section, <b>to not reduce the tax</b> on [gasoline and diesel oil] . . . and <b>to not reduce the rates</b> fixed [on crude oil] . . . . It also <b>agrees and is committed</b> to ensure that said amounts <b>shall be covered into a special deposit in the name and for the benefit of [HTA]</b> . . . until said bonds issued at any time, including their interest, have been paid in full.	The Commonwealth of Puerto Rico hereby <b>agrees and pledges itself</b> to any person . . . who subscribes, or acquires bonds of [HTA], for the payment of which the proceeds from the increase in the fees paid for public and private service automobile licenses and others, is pignored as authorized by this section, <b>not to reduce these license fees</b> .	The Commonwealth of Puerto Rico hereby <b>agrees and makes a commitment</b> to any person . . . that sell or acquire bonds of the Authority for the payment of which the proceeds of the fees paid for motor vehicle and trailer licenses and others is pledged, as authorized by this section, <b>not to reduce the license fees</b> or the amount collected from the same that the Authority must receive.



## Official Statements Refer to the Special Deposit As A Fund

### Replenishment of 1968 and 1998 Reserve Accounts

Under the 1994 Code, if moneys in the 1968 Reserve Account, 1998 Senior Bond Reserve Account or any accounts established in the 1998 Subordinated Bond Reserve Fund, including the 2003 Subordinated Bonds Reserve Account (collectively, the “Reserve Accounts”) are applied to cover a deficiency in the amounts necessary for payment of the principal of and interest on the Highway Revenue Bonds, Senior Transportation Revenue Bonds or Subordinated Transportation Revenue Bonds, respectively, the amounts used from any of the applicable Reserve Accounts to cover said deficiency shall be reimbursed to the Authority from the first amounts received in the next fiscal year or subsequent years by the Commonwealth derived from (i) any other taxes which may then be in effect on any other fuel or propellant which is used, among other purposes, to propel highway vehicles, and (ii) any remaining portion of the gasoline tax and petroleum products tax then in effect. The proceeds of said other taxes and the remainder of the gasoline tax and petroleum products tax to be used to reimburse the applicable Reserve Accounts are not deposited in the General Fund of the Commonwealth when collected, but are deposited instead in the Special Fund for the benefit of the Authority, and, subject to the provisions of Section 8 of Article VI of the Constitution of Puerto Rico, used to reimburse said Reserve Accounts. In the 1998 Resolution, the Authority covenants to apply any such reimbursement received first to replenish the 1968 Reserve Account, then to replenish the 1998 Senior Bond Reserve Account, and finally to replenish any accounts in the 1998 Subordinated Bond Reserve Fund.

### Special Fund

Under the 1994 Code and Act No. 9, the proceeds of the taxes and license fees allocated to the Authority are deposited by the Department of the Treasury in a special fund (the “Special Fund”) in favor of the Authority. In accordance with the Constitution of Puerto Rico, the proceeds of such taxes and license fees are subject to being applied first to the payment of general obligation debt of and debt guaranteed by the Commonwealth, if and to the extent that all other Commonwealth revenues are insufficient therefor. The Commonwealth has never applied the proceeds of such taxes

**HTA Series AA, G, H Official Statement, April 10, 2003**

Movants’ HTA Ex. 97 at 16; Natbony Decl. Ex. EE at 16



## Representations to Bondholders About the CW's Future Contingent Interest in Excise Taxes

The proceeds of the gasoline tax, the gas oil and diesel oil tax, the petroleum products tax and the motor vehicle license fees allocated to the Authority by the 1994 Code and Act No. 9 are available Commonwealth taxes and revenues under the Constitution. Accordingly, if needed, they are subject to being applied first to the payment of debt service on the public debt of the Commonwealth but, under the 1994 Code and Act No. 9, such taxes and license fees are to be used for such payments **only if and to the extent that all other available revenues of the Commonwealth under the Constitution are insufficient for such purpose.** Tolls and other fees and charges collected by the Authority and investment earnings are not available Commonwealth taxes and revenues.

The Commonwealth has never applied taxes or license fees allocated to the Authority to the payment of its public debt nor has the Commonwealth ever defaulted on the payment of principal of or interest on any of its public debt. See *Debt* in the Commonwealth Report.

The Transportation Revenue Bonds issued under Resolution 98-06 are secured by a pledge of petroleum products excise taxes up to \$120 million per fiscal year, certain other toll revenues, revenues pledged to secure the Highway Revenues Bonds to the extent not necessary to pay such bonds and certain investment earnings. The proceeds of the gasoline tax, the gas oil and diesel oil tax, the petroleum products tax and the motor vehicle license fees allocated to the Authority are available taxes and revenues under the Constitution of the Commonwealth of Puerto Rico. Accordingly, if needed, they are subject to being applied first to the payment of debt service on the public debt of the Commonwealth but such taxes and license fees are to be used for such payments **only if and to the extent that all other available revenues of the Commonwealth under the Constitution are insufficient for such purpose.** The Commonwealth has not applied these revenues for such payments.

**HTA Series AA, G, H Official Statement, April 10, 2003**

Movants' HTA Ex. 97 at 17, I-31; Natbony Decl. Ex. EE at 17, I-31

## Excise Taxes are Listed as HTA's Own Income in Fiscal Year 2014-15 Budget Memorandum

### D. Own Income and Other Resources

Break down the income generated by the Agency by object of expense and mention the concept of each one. Justify these funds.

	Debt Servicing	Operational Expenses	Improvement Program
Taxes on gasoline and derivatives	\$443,410		
Toll fees		\$131,110	
Vehicle licenses	\$95,500		
Cigarettes	\$20,000		
Others	\$15,330		
Federal Funds			\$145,000
Train Fares		\$8,900	
Fines		\$20,000	
Bonds Issuance			\$20,000
Others		\$10,250	
Total	\$574,240	\$170,260	\$165,000

Certified Translation of PRHTA Budget  
Recommendations Memorandum for  
Fiscal Year 2014-2015  
(Movants' HTA Ex. 24 at 8) (Natbony  
Reply Dec. Ex. 24 at 8)

## Excise Taxes are Listed as HTA's Own Income in Fiscal Year 2015-16 Budget Memorandum

### 8. Own Income and Other Resources

If your agency receives own income, please explain their source and the breakdown of expenses.

Item	Debt Servicing (Thousands)	Operating Expenses (Thousands)	Improvement Programs (Thousands)
Excise taxes on gasoline and derivatives	\$ 344,220		
Tolls		\$ 128,400	
Vehicle licenses	\$2,969		\$ 89,631
Cigarettes		\$ 5,000	\$ 15,000
Others			\$ 14,650
Federal Funds		\$ 15,000	\$ 130,000
Train rates		\$ 12,000	
Fines		\$ 10,000	
Bond Issuance			\$ 10,000
Others		\$ 3,106	\$ 1,367
Grand Total	\$ 347,189	\$ 173,506	\$ 260,648

The Authority receives income from three sources: (1) own income, (2) other income, and (3) federal funds.

- 1) The own income comes from the excise taxes on gasoline and diesel, toll collections, licenses, license plates, and cigarettes.

Certified Translation of PRHTA Budget Recommendations  
Memorandum for Fiscal Year 2015-2016  
(Movants' HTA Ex. 25 at HTA\_STAY0000413) (Natbony  
Reply Dec. Ex. 25 at HTA\_STAY0000413)

## Approval of Financial Transactions for Agency Funds in Custody of Commonwealth Delegated to the Agency

Dear Sirs,

From July 1, 1998, the New Central Accounting System, known as **PRIFAS**, its acronym in English, became effective. One of the objectives of this System is to improve and streamline the entry of financial transactions performed by agencies whose funds are under the custody of the Treasury Secretary.

The purpose of this Circular Letter is to share the instructions to be followed by the agencies to which data entry, as well as approval of certain financial transactions, has been delegated. Its aim is also to

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como **PRIFAS** por sus siglas en inglés. Uno de los objetivos de este Sistema es mejorar y agilizar la entrada de las transacciones financieras de las agencias cuyos fondos están bajo la custodia del Secretario de Hacienda.

El propósito de esta Carta Circular es impartir las instrucciones a seguir por las agencias a las que se les delega la entrada de datos, así como la aprobación de ciertas transacciones financieras.

Treasury Circular Letter 1300-01-  
99, with Certified English  
Translation  
(Movants' HTA Ex. 41 at 15)  
(Natbony R. Decl. Ex. 41 at 15)



# Approval of Financial Transactions for Agency Funds in Custody of Commonwealth Delegated to the Agency

## INSTRUCCIONES SOBRE DELEGACION DE ENTRADA DE DATOS EN LAS AGENCIAS

### A. Introducción

En el Sistema de Contabilidad Central se registran las transacciones financieras de las agencias cuyos fondos están bajo la custodia del Secretario de Hacienda. Una vez se verifica la exactitud, legalidad, necesidad, propiedad, corrección y firmas de las transacciones, las mismas se entran al Sistema. Luego se procede a impartirle las aprobaciones correspondientes a las transacciones para que se afecte la contabilidad.

Bajo el Sistema de Contabilidad Central PRIFAS, por sus siglas en inglés, este Departamento **delega**, además de la preintervención de los documentos que afectan la contabilidad de las transacciones en el **Mayor General**, **la entrada de datos y la aprobación de ciertas transacciones en las agencias**. Dicha delegación va encaminada a agilizar las operaciones gubernamentales.

### B. Definición de Términos

Para propósito de estas instrucciones, los siguientes términos tendrán el significado que se indica a continuación:

1. **Agencia-** Todo departamento, negociado, oficina u organismo perteneciente a la Rama Ejecutiva, Legislativa o Judicial, cuyos fondos están bajo la custodia del Secretario de Hacienda.

2. **PRIFAS-** Sistema de Contabilidad Central del Gobierno.

## INSTRUCTIONS ON THE DELEGATING OF DATA ENTRY TO THE AGENCIES

### A. Introduction

The financial transactions of agencies whose funds are under the custody of the Secretary of the Treasury are recorded within the Central Accounting System. Once the accuracy, legality, necessity, propriety, correctness and signing of the transactions have been verified, these transactions are entered into the System. The transactions are then given the relevant approvals for a record to be made in the accounts.

Under the Central Accounting System known as **PRIFAS**, its acronym in English, this Department **has delegated**, in addition to the pre-audit of documents that record transactions in the **General Ledger**, **the entry of data, as well as the approval of certain transactions, to the agencies**. This delegation is part of an initiative to streamline government operations.

### B. Definition of Terms [signature]

For the purposes herein, the following terms shall have the meaning specified hereinafter:

[initials] [handwritten]

1. **Agency:** Any department, division, office or body within the Executive, Legislative or Judicial branch, the funds of which are under the custody of the Secretary of the Treasury.

2. **PRIFAS:** Government Central Accounting System.

Treasury Circular Letter 1300-01-99, with Certified English Translation  
(Movants' HTA Ex. 41 at 17) (Natbony R. Decl. Ex. 41 at 17)

## Approval Delegated for Payment Vouchers Form SC 735

Treasury Circular Letter 1300-01-99 also describes Form SC 735 as a PRIFAS System form for which approval was delegated to the agency:

CC 1300-1-99		Anejo 3
A. Documentos cuya entrada de datos y aprobación se delegó en las agencias:		
SC 716	Comprobante de Reintegro	
SC 735	Comprobante de Pago	

A. Documents for which data entry and approval have been delegated to the agencies:		
SC 716 Re-entry Voucher		
SC 735 Payment Voucher		

SC 751	Registro de Asignación y Estimado de Ingreso para Aportación Federal	Treasury Circular Letter 1300-01-99, with Certified English Translation (Movants' HTA Ex. 41 at 28) (Natbony R. Decl. Ex. 41 at 28)
SC 759	Liquidación de Petición de Fondos	
SC 760	Petición de Fondos Públicos	
SC 866	Solicitud de Orden de Viaje y Petición de Fondos	



# HTA Authorized Transfers from Fund 278 through SC-735 Vouchers

**COMMONWEALTH OF PUERTO RICO**  
**HIGHWAYS AND TRANSPORTATION AUTHORITY**  
Agency

ESTADO LIBRE ASOCIADO DE PUERTO RICO  
AUTORIDAD DE CARRETERAS Y TRANSPORTACION  
Agencia

Fund **278**

Model SC-735  
February 19, 2013

19 febrero 13  
Original - AGC  
Copia - Agencia

Pag. 2 de 3

COMPROBANTE DE PAGO ☐ COMPROBANTE DE PAGO CONTRA OBLIGACION ☒ COMPROBANTE DE PAGO CONTRA OBLIGACION POR CONTRATO

IDENT. DEL DOCUMENTO  
CT Agente Número de Documento Nombre del Suplidor Número del Suplidor CD Número de Contrato Número  
EV 066 15000047 AUT. CARRETERAS Y TRANSP. 660433808 D 15  
Comentarios: Dirección: P.O. Box 40007, San Juan 00907

CIFRA DE DEPENDENCIA DE INVENTARIO  
Fecha Importe Total del Documento  
6/10/15 \$ 3,890,180.06

LN	Agente	Número Orden de Compra o Número Obligación Contrato	Importe	Descripción	Importe	Cuenta	Fondo	Organización	Log.	Asig.	Año Pres.	Aportación Federal	P/F	Clave	Unidad
01	066		3,890,180.06	Para retirar de la cuenta arriba indicada a ser usados por esta Agencia para sus fines corporativos. Para el mes de mayo 2015 (Gasolina, Diesel y Marbetes)  AUTORIDAD DE CARRETERAS Y TRANSPORTACION ABA# 221571415 SWIFT: OBPRPRSJ BENEFICIARY BANK: ORIENTAL BANK (BBVA) BENEFICIARY CUSTOMER ACCOUNT#1960269874 BENEFICIARY CUSTOMER: AUT DE CARRETERAS Y TRANS	\$3,890,180	E6120	278	000000							
			\$ 3,890,180.06	Total o Subtotal	\$ 3,890,180.06										

Certifico que estoy autorizado por la Administración de Servicios Generales para comprar los artículos y/o servicios indicados; y que la compra efectuada se hizo conforme a la reglamentación vigente.  
Luis R. Santiago Reyes, Sub-Tesorero  
Nombre y Firma Delegado Comprador  
721-8787x2707  
Fecha Teléfono

Certifico que los artículos y/o servicios fueron recibidos según las especificaciones.  
Nombre y Firma Oficial Certificador  
Fecha Teléfono

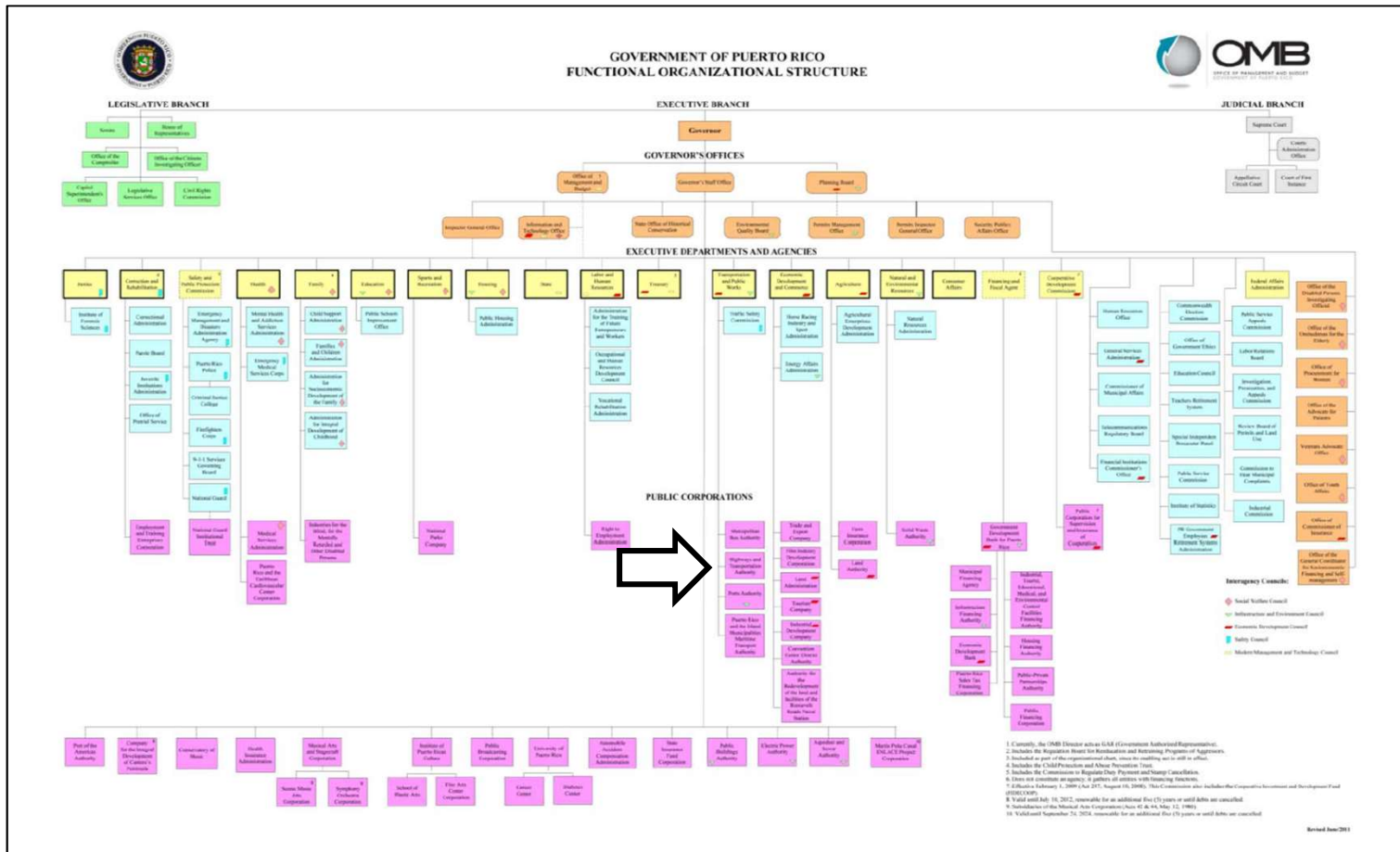
Certifico que la transacción arriba indicada se hace en cumplimiento de los trámites establecidos por Ley y reglamentación vigente, y que no he aprobado la misma previamente por lo cual autorizo  
César M. Gandiaga Texidor, CPA  
Nombre y Firma Jefe, Agencia o su Repte. Aut.  
Fecha Teléfono

I certify that the abovementioned transaction was made following the procedures established by Law and existing regulations, and which I have not previously approved for which I authorize  
[signature]  
César M. Gandiaga Texidor, CPA  
Name and Signature of Director, Agency or Authorized Rep.  
6/16/2015  
Date  
Telephone

Conservación: Seis años o una intervención del Contralor, lo que ocurra primero.

Payment Voucher signed by César M. Gandiaga Texidor, then HTA's Assistant Executive Director at HTA\_STAY0000514 (with Certified English Translation);  
see also, HTA\_STAY0000454-466 (Movants' HTA Ex. 30) (Natbony Reply Dec. Ex. 30); HTA\_STAY0000493-512 (Movants' HTA Ex. 31) (Natbony Reply Dec. Ex. 31); HTA\_STAY0000513-515 (Movants' HTA Ex. 32) (Natbony Reply Dec. Ex. 32); HTA\_STAY0000516-531 (Movants' HTA Ex. 33) (Natbony Reply Dec. Ex. 33); HTA\_STAY0000532-545 (Movants' HTA Ex. 34) (Natbony Reply Dec. Ex. 34); HTA\_STAY0000546-549 (Movants' HTA Ex. 35) (Natbony Reply Dec. Ex. 35); HTA\_STAY0000556-602 (Movants' HTA Ex. 36) (Natbony Reply Dec. Ex. 36); HTA\_STAY0000603-613 (Movants' HTA Ex. 37) (Natbony Reply Dec. Ex. 37); HTA\_STAY0000614-627 (Movants' HTA Ex. 38) (Natbony Reply Dec. Ex. 38); HTA\_STAY0000628-653 (Movants' HTA Ex. 39) (Natbony Reply Dec. Ex. 39); HTA\_STAY0007985-8024 (Movants' HTA Ex. 40) (Natbony Reply Dec. Ex. 40).

## HTA is Listed as Part of the Executive Branch



Movants' HTA Ex. 1 at 15; Natbony Reply Decl. Ex 1 at 15.

## Official Statements DID Disclose that Commonwealth Property Was Pledged or Held in Trust for HTA Bondholders

### Commitment Not to Reduce Taxes and Fees

The Commonwealth has agreed and committed in the 1994 Code that it will not reduce the gasoline tax below \$0.16 per gallon, the tax on gas oil and diesel oil below \$0.04 per gallon or the tax on petroleum products below the tax rates in effect on July 16, 1997 (as described below), and that it will not reduce the amount of any such taxes allocated to the Authority until all obligations of the Authority, including the Highway Revenue Bonds and the Transportation Revenue Bonds, **secured by the pledge thereof** are fully paid. The Commonwealth has also agreed and pledged in Act No. 9 that it will not reduce the motor vehicle license fees allocated and pledged to the payment of obligations of the Authority, including the Highway Revenue Bonds and the Transportation Revenue Bonds, so long as the proceeds of such fees remain **pledged to the payment of such obligations**.

Movants' HTA Ex. 97 at 16;  
Natbony Decl. Ex. EE at 16

Tolls on Existing Toll Highways. Until the 1968 Resolution is repealed and canceled, all tolls collected on the Authority's existing toll highways, including tolls collected on any extension thereof financed with Transportation Revenue Bonds (the Existing Toll Facilities Revenues), will constitute 1968 Resolution Revenues. **As such, they are pledged to the payment of the Highway Revenue Bonds** and, subject to the prior application of such toll revenues to the payment of debt service on the Highway Revenue Bonds and the maintenance of a reserve therefor, **will be additionally pledged to the payment of Transportation Revenue Bonds**.

Movants' HTA Ex. 97 at 29;  
Natbony Decl. Ex. EE at 29



## Official Statements DID Disclose that Commonwealth Property Was Pledged or Held in Trust for HTA Bondholders

### SECURITY

The Bonds are secured by a pledge of (i) gross receipts of the 16¢ per gallon tax on gasoline and 4¢ of the 8¢ per gallon tax on gas oil or diesel oil imposed by the Commonwealth of Puerto Rico (the “Commonwealth”) and allocated to the Authority after certain deductions for gasoline used in sea and air transportation, both levied by Act No. 2 of the Legislature of Puerto Rico, approved January 20, 1956, as amended (the “Excise Act”), subject to the provisions of Section 8 of Article VI of the Constitution of Puerto Rico described herein, and (ii) any tolls or other charges imposed by the Authority for the use of any of the Traffic Facilities as defined in “Revenues” under *Summary of Certain Provisions of the Bond Resolution*. The Commonwealth has covenanted in the Excise Act that the tax on gasoline will not be reduced below 16¢ per gallon and the tax on gas oil or diesel oil will not be reduced below 4¢ per gallon and that the amount of such taxes allocated to the Authority will not be reduced until all Bonds of the Authority secured by the pledge thereof, together with the interest thereon, are fully paid. See “Gasoline Tax and Gas Oil or Diesel Oil Tax” under *Resources Available to the Authority*.

Movants’ HTA Ex. 18 at HTA\_STAY0008159;  
Natbony R. Decl. Ex. 18 at HTA\_STAY0008159.

*Gasoline and Gas Oil Taxes.* The Puerto Rico Internal Revenue Code, which currently imposes a \$0.16 per gallon tax on gasoline and an \$0.08 per gallon tax on gas oil and diesel oil, provides for the deposit of the entire \$0.16 tax on gasoline and \$0.04 of the tax on gas oil and diesel oil in the Special Fund, and authorizes the Authority to pledge such amounts to the payment of the principal of and interest on its bonds and other obligations or for any other lawful purpose of the Authority. The Authority has pledged such tax receipts to the holders of the Highway Revenue Bonds, but such pledge is subject to the Constitution of Puerto Rico, which permits the Commonwealth to apply such taxes to payment of certain Commonwealth bonds to the extent other Commonwealth moneys are insufficient therefor. The Authority has also pledged such tax receipts to the holders of the Transportation Revenue Bonds, subject to the prior application of such tax receipts to the payment of debt service on Highway Revenue Bonds and the maintenance of a reserve therefor. The

Movants’ HTA Ex. 98 AT 38; Natbony Decl. Ex. FF at 38;  
See also Movants’ HTA Ex. 132 AT 1; Natbony SR Decl.  
Ex. iv at 1.

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*Belgium:* Legal Notice under Article 7 of Belgian Law of March 11, 2003: The Belgian lawyers practicing in the Brussels office are admitted to practice under the professional title "advocaat/avocat." They are members of the Brussels Bar, List A. The lawyers from other foreign jurisdictions are members of, or are registered with, the Brussels Bar, List E or B, and/or are members of foreign Bars. Each lawyer's bar admission(s) can be found in his/her biography. Members of the Brussels Bar (List A, B or E) are subject to professional rules that are available at [www.ballebrussel.be](http://www.ballebrussel.be) or [www.barreauderbruxelles.be](http://www.barreauderbruxelles.be). The profession of "avocat/advocaat" is regulated by Articles 428-508 of the Belgian Judicial Code, which is available at [www.juridat.be](http://www.juridat.be).